(a) whether it is a fact that annual growth rate of credit and deposits in banks in the country has declined during financial year 2008-09 as compared to the financial year 2004-05;

(b) if so, the details thereof;

(c) the annual growth rate of deposits and credit during above-said years; and

(d) what target was fixed in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Annual growth rate of credit and deposits in banks during 2008-09 and 2004-05 is given below:

Year	Credit growth rate	Deposits growth rate
2004-05	30.9%	13%
2008-09	17.3%	19.9%

(Annual growth refers to growth during the year compared with the previous year)

(d) RBI does not fix targets for credit and deposit growth. However, as part of its Monetary Policy, for 2008-09 credit growth was initially projected at 20% and later revised to 24% while deposit growth was projected at 17% later revised to 19%, During 2004-05, the credit growth was projected at 16-16.5% while deposit growth was projected at 14.5%.

Investments by foreign investors

†2625. SHRI RAVI SHANKAR PRASAD:
SHRI SHIVANAND TIWARI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the number of foreign investors is increasing continuously due to the possibility of getting more dividend on capital investment in Indian share markets:

(b) if so, the reaction of Government thereto; and

(c) the total number of foreign investors registered with Indian share markets for trading at the end of June, 2009 and the details of their investments in the capital market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) There is no evidence to suggest that the number of foreign investors is increasing only due to the possibility of getting more dividends. Investment decisions are driven by multiple factors such as attractiveness of Indian markets *vis-a-vis* other emerging markets, global markets and opportunities *vis-a-vis* FII's home country.

(c) Securities and Exchange Board of India (SEBI) has informed that there are 1668 foreign institutional investors and 5171 sub-accounts registered with SEBI as on June 2009. As on June 2009, the details of their investment is as given below:

†Original notice of the question was received in Hindi.

Investment	Gross Purchases (Rs crore)	Gross Sales (Rs crore)	Net Investment (Rs crore)
Equity	3116368	2861651	254718
Debt	183905	161668	22237
TOTAL :	3300273	3023319	276955

Total number of Foreign Venture Capital Investors (FVCIs) registered with SEBI as of June 30, 2009 is 134.

The cumulative investments by FVCIs as of March 2009 were Rs. 23,047 crore.

Relaxation on fiscal deficit ceiling

2626. MS. MABEL REBELLO:
DR T. SUBBARAMI REDDY:
Will the Minister of FINANCE be pleased to state:

(a) whether States have sought relaxation in fiscal deficit ceiling for 2009-10 so that they can spend more on infrastructure and social programmes;

(b) if so, whether their demand on more leeway for increased social and infrastructure expenditure comes on the heels of the Centre's recent promise of higher spending on its flagship programmes;

(c) if so, whether these measures were discussed with States' Finance Ministers during their discussions with the Finance Minister; and

(d) if so, the main issues raised by States Finance Ministers and to what extent these concessions have been taken into consideration by his Ministry in the budget?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) The State Finance Ministers had sought relaxation in fiscal deficit ceiling for 2009-10 during the meeting held on 11th June, 2009 with the Union Finance Minister, *inter-alia* to enable more spending on infrastructure and social programmes. The main issues raised in this connection, by the State Finance Ministers during the meeting, are given in the enclosed Statement (*See* below). The Finance Minister had announced in the interim budget that in the current environment, there is need for contra-cyclical policy, which calls for a substantial increase in expenditure in infrastructure development and in rural development where the programs such as Bharat Nirman and NREGS are playing a vital social role. The Finance Minister in his Budget speech on 6th July, 2009 has proposed relaxation of fiscal deficit targets under Fiscal Responsibility and Budget Management Act for States from 3.5% to 4% of their Gross State Domestic Product.